

Message Text

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ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 OPIC-03 TRSE-00 AGR-05 AID-05

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COMMERCE FOR CAGNE

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SUBJECT: INDUSTRIAL PROJECTS FOR TRIANGULAR COOPERATION

REF: STATE 294618; TUNIS A-138

1. EMBOFF DISCUSSED FIVE PROJECTS NOTED PARA 3 REFTEL WITH DIRECTOR OF PROMOTION HICHERI OF INVESTMENT PROMOTION AGENCY (API). HICHERI NOTED PROJECTS WERE ORIGINALLY OFFERED AS ILLUSTRATIVE OF TYPE OF ACTIVITY WHICH TUNISIA HOPED WOULD ATTRACT FOREIGN INVESTORS AND WERE NOT INTENDED TO BE COMPLETE DESCRIPTIONS, INCLUDING DETAILED RESPONSES TO VARIOUS QUESTIONS INVESTORS MIGHT RAISE. HE ADMITTED THAT GERNERAL NATURE OF 5 PROJECTS MAY HAVE CHANGED, BUT SAID API DOES NOT HAVE CAPABILITY TO BRING THEM UP TO DATE OR TO PREPARE DETAILED INFORMATION ON THESE OR ANY OTHER PROJECTS. API, HE SAID, WOULD EXPECT POTENTIAL INVESTORS ATTRACTED BY PROJECTS TO MAKE OWN DETAILED INVESTIGATIONS, EVALUATIONS AND PROPOSALS, INCLUDING SOURCES AND AMOUNTS OF FINANCING AND START-UP

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TIMES. UPON INSISTENCE OF EMBOFF, HE AGREED TAKE

PROJECTS UNDER STUDY AND POSSIBLY UPDATE THEM ALTHOUGH HE SAID THIS WOULD NOT BE POSSIBLE UNTIL JANUARY OR FEBRUARY AS RESULT API PERSONNEL SHIFTS FOLLOWING RESIGNATION DIRECTOR GENERAL CHASBOUNI.

2. COMMENT: A. API, WHILE EAGER PROMOTE GENERAL US PRIVATE INVESTMENT IN TUNISIA, HAS BEEN RELUCTANT TO IDENTIFY AND DEVELOP INDIVIDUAL PROJECT POSSIBILITIES. IT APPEARS TO BELIEVE THAT SUCH EFFORT WOULD CONVEY IMPRESSION THAT TUNISIAN INTEREST IS LIMITED TO CERTAIN SPECIFIC UNDERTAKINGS WHILE IN FACT TUNISIA WELCOMES US INVESTMENT IN "ALL SECTORS." API ALSO CLEARLY HAS NEITHER TIME NOR TECHNICAL CAPABILITY TO DEVELOP DETAILED PROJECT PROSPECTUS AND HAS NOT BEEN ABLE OBTAIN OUTSIDE ASSISTANCE ALTHOUGH IT HAS ASKED (IN PART AS RESPONSE TO EMBASSY SUGGESTION) THAT UNIDO-SUPPORTED NATIONAL CENTER FOR INDUSTRIAL STUDIES CONDUCT PROJECT AND SECTOR STUDIES. EMBASSY CLEARLY NOT ABLE TO PREPARE PROJECT STUDIES ON BEHALF OF GOT. WHILE PROSPECTIVE AMERICAN INVESTMENT ADVISOR TO API COULD HAVE PLAYED KEY ROLE IN DEVELOPING PROJECT POSSIBILITIES, HIS ASSIGNMENT NOW APPEARS IN DOUBT BECAUSE OF PAST DELAYS IN PROCESSING HIS PROJECT THROUGH GOT CHANNELS AND SERIOUS UNDP SHORTAGE OF FUNDS HAMPERING ANY NEW PROJECT STARTS IN TUNISIA. EMBASSY BELIEVES JOINT INVESTMENT WORKING GROUP AS APPROVED PARA 5 STATE 301426 WHEN ESTABLISHED MAY GIVE EMBASSY MEANS TO ENCOURAGE GOT FIND SOME WAY TO IDENTIFY AND TO DOCUMENT ACTIVITIES WHERE US PRIVATE PARTICIPATION AND TRIANGULAR INVESTMENT WOULD BE PARTICULARLY WELCOME.

B. IN MEANTIME, USDOC/CAGNE CAN GIVE WIDE PUBLICITY TO TUNISIAN DESIRE ATTRACT AMERICAN INVESTMENT, PARTICULARLY IN EXPORT INDUSTRIES UNDER LAW OF APRIL 1972. WHILE FIVE PROJECTS LISTED PARA 3 REF A CAN STILL BE USED, THEY SHOULD BE CITED ONLY FOR ILLUSTRATIVE PURPOSES AND IN FAIRLY GENERAL TERMS WILL SUGGESTION THAT FURTHER INFORMATION COULD BE OBTAINED FROM API TUNIS. LATEST INFO ON FERTILIZER COMPLEX IN GABES TRANSMITTED BY TUNIS A-38 WHILE PETROCHEMICAL COMPLEX IS NOW TO BE BASED ON OFFSHORE GAS RATHER THAN OIL REFINERY.
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C. API REMAINS GENERALLY SATISFIED AND CONFIDENT OVER PRESENT AND POTENTIAL FUTURE ROLE OF AMERICAN PRIVATE INVESTMENT IN TUNISIA. IN RECENT MONTHS AT LEAST TWO NEW US-SPONSORED PROJECTS HAVE BEEN APPROVED, ONE IN TEXTILE FIELD AND OTHER IN FOOD PROCESSING, WITH AT LEAST TWO OTHER PROJECTS PENDING.
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Message Attributes

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Decaption Note:
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